

THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$5.5 billion in 1994 and is expected to exceed \$7 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to:

Department of Industry (DI) through the provincial International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

Tel: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500

InfoCentre Bulletin Board (IBB):
1-800-628-1581 or (613) 944-1581

TABLE OF CONTENTS

MAPPING MEXICO	7
THE 100 MEDIUM CITIES PROGRAM	8
THE MEXICAN GEOMATICS SECTOR	9
Subsectors	10
Labour	10
Technology	11
Integration	12
THE ROLE OF IMPORTS	13
Canadian Participation	13
CUSTOMERS	14
BANOBRRAS	17
Federal Electricity Commission	18
The National Oil Company	19
COMPETITION	20
Mexican Competitors	21
Foreign Competitors	22
Canadian Strengths	22
TRENDS AND OPPORTUNITIES	23
The Devaluation	24
Change of Government	24
Product Opportunities	25
Partnership Opportunities	26
THE REGULATORY ENVIRONMENT	27
Industrial Policies	27
Procurement	27
MARKET ENTRY STRATEGIES	29
Private Sector Focus	29
Product Adaptation	30
Technical Presentations	30
Service	30
Government Procurement	30
Partnerships	31
Supporting the Mexican Partner	32
Trade Shows	32
Long-term Strategies	32